

Retiree Report

October, 2001

A Quarterly Publication from the
Fairfax County Retirement Agency

Open Season Oct. 15 - Nov. 15

Changes Effective January 1, 2002

PPO Replaces Out-of-Area; non-smoker discount ends; new 3-tier drug plan

The County's Health Plans will undergo design changes for the 2002 plan year that will enhance the benefit offerings in several key areas and help to keep escalating health care costs at moderate levels.

The Board of Supervisors reviewed the changes on September 10 and authorized their implementation for the upcoming plan year.

✓ **Blue Preferred PPO plan will replace BCBS Out-of-Area**

The County's out-of-area indemnity health plan will be replaced with a preferred provider plan, which will offer benefits for both active and retired participants who select this option.

For employees and retirees who live outside of Virginia, the Out-of-Area plan has been the only available health plan for many years.

Although the out-of-area plan offers flexibility to receive health care from any provider, the premium costs are as much as 25 percent higher than premiums for FairChoice and the co-payments of 10 percent are often significantly more than the \$10 in-network HMO office visit co-payment.

Replacement of the Out-of-Area Indemnity Plan with the Blue Preferred PPO will retain flexibility of provider choice, offer premiums at a lower cost than the old plan and provide participants with the opportunity to have in-network office visits for just \$10.

Active employees and retirees in the local area will also be offered access to the new plan. The primary benefit for local area participants who select Blue Preferred PPO will be the ability to self refer to any in-network provider. This option eliminates the need for primary care physician referrals.

✓ **Non-smoker discount program to be discontinued**

Effective January 1, 2002, federal legislation has mandated that health plan premium differentials due to smoking be extended to any smoker who requests the discount under the Americans with Disabilities Act due to nicotine addiction. In light of this change, the Board has approved elimination of the discount program, effectively extending the lower premium to all participants in the self insured plans. Many

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BEWARE

Scams That Target the Elderly

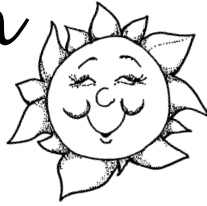
Fairfax County residents, especially the elderly, must beware of the potential danger posed to them by internet scam artists. These burglars will sneak into a victim's home when the unwitting residents, who are working in their yards or are otherwise distracted, leave their doors unlocked. Valuables can be

BEWARE *continued on page 7*

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Spotlight on The Retirement Agency



Jeffrey A. Willison is an Investment Manager in the Fairfax County Retirement Agency. He is responsible for the administration of the Accounting and Finance Department within the Retirement Administration Agency and assists the Boards of Trustees of the Police Officers and Uniformed Retirement Systems with their investment decision-making and implementation. Mr. Willison has been with Fairfax County since 1995. Prior to joining Fairfax, Mr. Willison held investment research and equity portfolio manager positions at several Washington-area banks, insurance companies and brokerage firms. Mr. Willison graduated from Wake Forest University with a B.A. in

Political Science and from the University of North Carolina with an M.S.B.A. in Management and Finance. Mr. Willison is a Chartered Financial Analyst.

Jeff is a long-time Fairfax County resident, living in Springfield with his wife, Nancy, a 7th grade English teacher at Lake Braddock Secondary School, and their faithful friend, Pepper. His daughter, Shannon, is a Dean's List sophomore at James Madison University studying psychology.

While Jeff oversees the County's pension investments "from sun-up to sun-down", in his rare free time he enjoys a variety of athletic endeavors, reading mysteries, and practicing to be a more disciplined individual investor. Jeff enjoys working with the dedicated and professional staff at the Retirement Agency, and assures all retirees that the pension investments supporting their retirement benefits are being diligently managed.

Often the staff in an office are just voices on the other end of the phone or a name you hear in passing. Each upcoming issue of Retiree Report will spotlight one individual of the Retirement Agency staff in an effort to help you get to know them better.



In response to requests from retirees for information direct from the Department of Human Resources with regards to Health, Dental and Life Insurance, and 457 plan withdrawal information*, the following phone numbers may be useful to you:

Benefits	Main Number	703-324-4917
Health & Dental Insurance	Doug Sachs	703-324-3316
Life Insurance	Tram Nguyen	703-324-3437
Deferred Compensation	Paul Brown	703-324-4916
Retirement Agency	Carol Patterson	703-279-8200

As a reminder, **please try to resolve claim issues directly with your insurance carrier.** Fairfax County employees do not have access to your personal account information with regards to claim processing. Human Resources and Retirement Agency staff are available to assist you with enrollment, change, and payroll deduction issues. The following phone numbers are plan specific:

FairChoice+ • 800-441-1164

Blue Preferred PPO • 800-441-1164

Kaiser Permanente • 301-468-6000

CIGNA • 800-832-3211

Dental Benefit Providers • 1-800-445-9090

Dominion Dental Services • 1- 888-391-3374

Deferred Compensation Information*

ICMA • 1-800-669-7400

T. Rowe Price • 1-888-457-5770

VALIC • 1-888-568-2542

Seniors In Cyberspace: One of Many Topics in RCC's New Senior Lecture Series

This fall, seniors can learn about a wide variety of topics at Reston Community Center's Senior Academy Lecture Series.

Topics in the series include:

◆ Dealing with Grief and Loss

Tuesday, October 30, 10:30-11:30 a.m.

Speakers from the Hospice of Northern Virginia will provide advice on how to cope with loss.

◆ Safety and Crime Prevention

Wednesday, November 7, 11:00 a.m. - 12:00 noon.

Fairfax County Police Officer, Robin Jones explains how to avoid crime or injury while shopping or traveling during the holidays.

◆ Travel Tips on Safety and Destinations

Thursday, November 15, 12:00 noon - 1:00 p.m.

An overview of worldwide travel destinations that are accessible and senior-friendly.

Light refreshments will be served at each lecture.

Admission is \$2 per person. All sessions will be held at the Reston Community Center, Hunters Woods, 2310 Colts Neck Road in Reston, Virginia.

For directions or more information, call (703) 476-4500 (TTY). Registrations cannot be taken by phone. Please register in person or by fax at (703) 476-8617.

Trustee Tracking

Vera Finberg is the Trustee elected by active Fairfax County employees to represent the members of the Fairfax County Employees' Retirement System. She has served on the Board since October 1992. She is currently Vice Chairman of the Employees' Retirement System.

Vera, who lives in Fairfax, started her Fairfax County career as the Children's Librarian on Sundays (exempt service) at George Mason Regional Library. In 1976, she took a half time job as a reference librarian at Fairfax City Regional Library. In 1984, she was promoted to a full time position as Business Librarian at Fairfax City Regional Library. In 1992, she transferred to Tysons-Pimmit Regional Library as the Information Manager, the position she still holds. She still enjoys the challenges of finding the right information for library patrons.

Before coming to Fairfax County, Vera worked as a librarian at Adelphi University on Long Island. She has a B.S. in chemistry from Case Western Reserve University in Cleveland and a Masters in Library

Science from Columbia University. She was born in Minneapolis, grew up in New England, and attended high school in Port Washington, N.Y.

Vera is married to Harvey Finberg, who works in database development for the federal government and moonlights as a soccer referee. They have two children, Sharon, a physics professor at Bentley College, and David, a software developer for Sun Microsystems. Both children attended Woodson High School.

In her spare time, Vera is an ardent genealogist – tracing her family back to the 1750's in the Czech Republic. She has traveled to the family towns in the Czech Republic and enjoys meeting the family there, as well as in other parts of the world. She uses the National Archives, the Family History Library in Salt Lake City and the Internet for her research. She tries to do a tiny bit of genealogy every day.

Vera also enjoys travel, camping, hiking and reading. She hopes to travel to Australia and New Zealand in the future.

As a trustee, Vera is very involved in representing employee interests – both in regard to benefits and in participating in investment decisions to manage the funds by diversifying assets, hiring good investment managers and monitoring them so that the fund has the money to pay benefits. She is always willing to talk to employees or retirees and attends EAC meetings to hear their retirement concerns.

While many retirees are familiar with their System's Board of Trustees, others may not know anything at all about the people who are charged with the proper operation of the System to which they belong. This column features one Board member each quarter to help you get to know the Trustees of the Employees' Police Officers and Uniformed Systems Boards.

CY 2002 Health Insurance Monthly Premiums for Retirees

Rates Effective January 1, 2002 through December 31, 2002

Health Insurance Plan Options

FAIRCHOICE+ BlueChoice

	Under 55 (without subsidy)	55 and over or on Disability Retirement (includes subsidy)
Individual -----	252.49	152.49
1 Individual with Medicare -----	176.33	76.33
2 Individuals -----	496.19	396.19
2 Individuals - 1 with Medicare; 1 without Medicare -----	425.12	325.12
2 Individuals with Medicare -----	348.97	248.97
Family -----	729.74	629.74
Family - 3 Medicare -----	528.99	428.99
Family - 2 Medicare -----	617.02	517.02
Family - 1 Medicare -----	692.31	592.31

FAIRCHOICE+ Trigon

Individual -----	277.74	177.74
1 Individual with Medicare -----	193.96	93.96
2 Individuals -----	545.81	445.81
2 Individuals - 1 with Medicare; 1 without Medicare -----	467.63	367.63
2 Individuals with Medicare -----	383.87	283.87
Family -----	802.71	702.71
Family - 3 Medicare -----	581.88	481.88
Family - 2 Medicare -----	678.72	578.72
Family - 1 Medicare -----	761.54	661.54

Blue Preferred PPO

Individual -----	290.36	190.36
1 Individual with Medicare -----	202.78	102.78
2 Individuals -----	570.62	470.62
2 Individuals - 1 with Medicare; 1 without Medicare -----	488.89	388.89
2 Individuals with Medicare -----	401.31	301.31
Family -----	839.20	739.20
Family - 3 Medicare -----	569.42	469.42
Family - 2 Medicare -----	710.30	610.30
Family - 1 Medicare -----	796.15	696.15

CIGNA

Please Note: CIGNA does not provide a Medicare Risk Plan - If you are age 65 or over, **DO NOT** choose CIGNA as your provider.

Individual -----	238.92	138.92
2 Individuals -----	463.92	363.92
Family -----	693.57	593.57

Remember! If you drop your health or dental coverage, you will **NEVER** be able to get it back!

CY 2002 Health Insurance Monthly Premiums for Retirees

Rates Effective January 1, 2002 through December 31, 2002

Health Insurance Plan Options

KAISER-PERMANENTE (Non-Medicare)

	Under 55 (without subsidy)	55 and over or on Disability Retirement (includes subsidy)
Individual -----	207.18	107.18
2 Party -----	416.43	316.43
Family -----	625.68	525.68

KAISER-PERMANENTE (Medicare Cost Grandfathered)

Individual with Medicare (Medicare Cost)* -----	218.06	118.06
2 Individuals with Medicare (Medicare Cost)* -----	436.13	336.13
1 Individual with Medicare; 1 without Medicare (Medicare Cost)* -----	425.24	325.24

**Only available to those currently enrolled in this plan.*

KAISER Medicare Risk - Senior Advantage**

Individual with Medicare - Medicare Risk HMO -----	164.67	64.67
2 Individuals with Medicare - Medicare Risk HMO -----	329.34	229.34
1 Individual with Medicare; 1 without Medicare - Medicare Risk HMO ----	371.85	271.85
2 Individuals (1 Medicare Cost; 1 Medicare Risk HMO) -----	382.73	282.73
2 Individuals Non-Medicare + 1 Medicare Risk HMO -----	581.10	481.10

***Only current Kaiser members are eligible to join Senior Advantage and only prior to their date of initial eligibility for Medicare Part B.*

Dental Plan Options

DENTAL BENEFIT PROVIDERS DHMO (DBP)

	Monthly Premium
Individual -----	\$17.22
2 Individuals -----	\$29.28
Family -----	\$40.58

DOMINION DHMO

Individual -----	\$13.98
2 Individuals -----	\$23.90
Family -----	\$33.90

DOMINION PPO

Individual -----	\$37.26
2 Individuals -----	\$63.70
Family -----	\$87.92

**The County
does NOT
contribute
toward the
dental
premiums.**

Premiums
are deducted
monthly,
in the month prior
to coverage.

MEDICARE NOTES

If you become eligible for Medicare at any age and you have County health insurance, you **MUST ENROLL** in Medicare Part A and B and send a copy of your new Medicare card showing the effective date of your Part A and Part B coverage to the Retirement Agency.

If you elect not to sign up for both parts of Medicare, the plan will pay your claims as though you had Medicare Parts A and B. Medicare will also add a 10% penalty to your premium for Part B for each 12 months that you could have been covered by Part B but elected not to enroll. The only exception is for periods when you were covered by an employers' (not retirees') health insurance plan through your or your spouse's employer.

Dental Notes: There are NO claim forms to file under a DHMO plan. Claim forms for the PPO plan should be mailed to **Dominion Dental Services, Inc. 111 Ryan Court, Suite 300, Pittsburgh, PA 15205-1324**. Dentists may use the standard American Dental Association approved dental claim form, or PPO members may request forms from Dominion by calling **1-888-518-5338**.

Please note that the PPO plan requires all dentists to obtain pre-approval for many services. See the Benefit Summary Handbook for more details.

If you are currently **NOT** enrolled in a County-offered health/dental plan, you are **NOT** eligible to join one!

employees will experience no increase in premiums as a result of this change.

✓ **FairChoice gets a new name; Trigon to be eliminated in 2003**

FairChoice+ becomes FairChoice+ BlueChoice and FairChoice+ Trigon in January. There will also be a distinction between the BlueChoice (formerly Capital Care) and Trigon networks from a cost perspective. Employees in Capital Care will automatically be enrolled in FairChoice+ BlueChoice. Employees who select the Trigon HMO network will be enrolled in FairChoice+ Trigon. Premiums for Trigon will be approximately 10 percent higher than premiums for BlueChoice to reflect the higher costs associated with the Trigon network services. Trigon will be offered separately in 2002 to provide a transition for those employees who want to remain enrolled in that network next year. The Trigon option will be eliminated due to cost considerations effective January, 2003.

✓ **Employees enrolled in Trigon have several options for 2002**

- Participants can remain in the Trigon HMO. Premiums will be approximately 10 percent higher than premiums for BlueChoice.
- Many Trigon participants can switch to BlueChoice (currently Capital Care) without any change in service or provider since many FairChoice+ providers participate in both networks. Trigon participants should check to see if their primary care provider is in BlueChoice.
- Trigon participants may want to consider the new Blue Preferred PPO plan that allows them to go to any participating Blue Card provider anywhere in the country at in-network co-payments. The PPO plan also offers the flexibility of no gatekeeper for specialist services—participants can self-refer to any participating provider.

✓ **FairChoice plan changes are key**

to controlling costs - Escalating healthcare costs are a nationwide concern, with the cost of prescription drugs heading the list of cost increasing services. Nationally, healthcare costs have been rising about 10 percent a year with predictions for 2002 as high as 14 percent. Cost increases for 2003 are currently estimated at 13-20 percent. Fairfax County plans are experiencing increases at the highest levels, primarily due to costs for prescription drugs which are almost double the cost of the national average. There are several reasons for the rapid growth in prescription costs: pharmaceutical marketing, technological advances, consumerism and an aging population are among the top causes.

Cost shifting—passing some of the higher costs to the users of more expensive services—is one way to address this issue. Consumer education is another. Basically, participants who use the more costly services will pay more than those who do not. This shift helps to keep premiums at a more moderate level.

✓ **Change from a two-tier to a three-tier drug payment plan**

In response to the need for cost shifting, the BlueCrossBlueShield plans (FairChoice+BlueChoice, FairChoice+ Trigon, and Blue Preferred PPO) will change from a two-tier prescription drug payment program to a three-tier plan.

Under the current two-tier plan, participants pay \$10 for generic and \$15 for brand name drugs. Under the three-tier plan, the costs will be \$10 generic, \$15 preferred brand and \$25 for non-preferred brand. Non preferred are the most costly medications (e.g. celebrex). In many cases, less expensive medications can be substituted. Mail order prescriptions will change to two co-payments for a 90-day supply, which is still a savings over pharmacy costs. Employees in the **CIGNA HMO** plan currently have a three-tier prescription drug plan. Mail order cost for CIGNA is three co-pays for a 90-day supply.

✓ **Out-of-network co-payment goes from 80/20 to 70/30**

The second area of cost shifting will be in the out-of-network benefit co-payment for the FairChoice+ plans. In 2002, the co-payment schedule for out-of-network services will go from 80/20 to 70/30. The annual out-of-pocket maximum will increase to \$2,500/\$5,000; however, the deductibles for out-of-network will remain at \$250/\$500.

✓ **FairChoice plans to expand infertility benefit**

The FairChoice+ plans will extend the infertility benefit to include invitro fertilization effective January 1, 2002. The benefit will be limited to three lifetime attempts. This has been a highly requested change for several years. The Kaiser HMO plan also offers an invitro infertility benefit at a 50 percent cost savings.

✓ **KAISER and CIGNA benefit changes**

The Kaiser and Cigna HMOs will change from a \$5 office visit co-payment to a \$10 office visit co-payment as part of the County's cost shifting strategy/cost saving strategy.

Primarily due to this change, Kaiser participants will not see any premium increase this year and the Cigna increase is lower than previously announced.

BEWARE

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lost and lives can be put in danger in those brief moments when one's back is turned to the doorway.

Once these burglars enter a home, they pilfer valuable jewelry and items which can easily be concealed on their person. Due to the stealth and skill of these burglars, sometimes these burglaries can go unnoticed for some time. However, if a resident finds a burglar in his home, exercise extreme caution, as the burglar may be armed and dangerous. Leave the residence immediately and go to the nearest available telephone and call 911. If the burglar is leaving the residence, try to observe his direction of travel. For more information, citizens should contact the crime prevention officer at the police district station serving their area.

Senior citizens are especially vulnerable to this method of theft, as well as to the danger of itinerant contractors who travel door to door recommending home improvements, often where none are necessary. Bad experiences with home improvement contractors head the list of the most frequent consumer complaints to Fairfax County's Department of Cable Communications and Consumer Protection (DCCCP). The homeowner's best protection is carefully selecting a contractor. Obtaining a complaint history from DCCCP can help in this process.

This information was reprinted from a Fairfax County News Release August 15, 2001. To receive a faxed copy of the complete Release, please call 703-279-8200.

See Next Issue for an article on Identity Theft.

GOOD NEWS About Life Insurance

As most of you know, those people who retired prior to December 31, 1998 were grandfathered at a life insurance rate of .24 per \$1,000 of coverage. That rate was grandfathered for three years, and subject to change with the renewal of the Minnesota Life contract, effective January 1, 2002. The good news is that the current rate has been grandfathered for one more year. For those who retired after December 31, 1998, the news is also favorable. Rates for 2002 have gone down. Contact the Retirement Agency for specifics.

Kaiser Senior Advantage Coverage Changes for 2002

- ✓ **Annual Glaucoma Screening** is covered for individuals at high risk for glaucoma, individuals with family history of glaucoma (includes dilated exams, ophthalmoscopy or slit lamp exam).
- ✓ **Medical Nutrition Therapy Services** is covered for individuals with diabetes or renal disease.
- ✓ **Post Hospitalization Skilled Nursing Care** through an individual's home skilled nursing facility is covered if Kaiser Permanente has a contract with the facility or the facility agrees to accept similar payment under the same terms and conditions that would apply to similarly situated Skilled Nursing Facilities that are under contract with Kaiser Permanente is covered.

Kaiser Out-of-Area Reminder

Kaiser Permanente Senior Advantage is designed for Medicare beneficiaries who live in the Kaiser Permanente Medicare-approved service area. They do not cover home health services, durable medical equipment (including oxygen), or skilled nursing facility care outside the Medicare approved service area. You must receive all of your health care from Plan providers within their Medicare-approved service area, except for emergency services, urgently needed services, out-of-area dialysis and prior authorized referrals.

Social Security **UPDATE !**

Seniors Warned About Misleading Solicitations

Senior citizens should exercise great caution when responding to solicitations promising additional Social Security benefit payments.

More than 25,000 individuals have been duped by anonymous hoax flyers, according to a recent Social Security investigation. The flyer promised extra Social Security benefit payments and/or slave reparations from the federal government in exchange for supplying sensitive personal information.

Two distinct flyers were widely distributed to the elderly and falsely promised recipients that they would receive money from the government if they mailed their sensitive personal information to a post office box listed on the flyer. A second flyer promised and unwarranted lump sum payment or an increase in Social Security benefits.

Both flyers required the recipient to provide highly sensitive personal information such as name, address, telephone, Social Security number and date of birth in order to receive the funds.

By falsely promising additional Social Security payments, the anonymous mailings tricked seniors into parting with coveted personal information. Therefore, we are warning seniors to think twice before responding to any Solicitations promising additional payments. Seniors with questions about Social Security should contact Social Security or their member of Congress directly.

Social Security
1-800-772-1213

New Medicare and Medicaid Agency

To increase responsiveness to beneficiaries and providers and improve customer service, the Health Care Financing Administration will be reorganized and renamed the "Centers for Medicare and Medicaid Services."

The agency is emphasizing quality service as its number one priority. Their sweeping reforms will strengthen their programs and enable their employees to better serve Medicare and Medicaid beneficiaries, as well as health care providers. They're going to encourage innovation, better educate consumers about their options and be more responsive to the health care needs of Americans.

Three new business centers are being established as part of the reform: the Center for Beneficiary choices, the Center for Medicare Management, and the Center for Medicaid and State Options.

The new Centers for Medicare and Medicaid Services will launch a national media campaign to educate seniors and other Medicare beneficiaries about their options.

The Medicare 800-number (1-800-633-4227) is being enhanced to provide service to beneficiaries 24 hours a day, seven days a week.

More changes are on the way. They're going to keep fine-tuning the agency so Americans are receiving the highest quality health care possible.

Retirees and spouses with County health insurance are required to

submit a copy of their Medicare card showing that they have both Part A and Part B coverage as soon as they become eligible to receive it. Retirees should apply for Medicare Part B 3 months prior to their 65th birthday and submit proof of coverage to the Retirement Agency as soon as they receive their card. Those who forget or those who choose not to accept Part B will be placed in the County's penalty group and will have to pay, out-of-pocket for any medical expenses that Medicare would have paid. Remember, while you have to pay for Medicare Part B, those retirees enrolled in FairChoice+ with Medicare coverage receive a lower rate than those without Medicare. Do not turn down Medicare Part B coverage - it can be a costly mistake for you and your family. Medicare will also add a 10% penalty to your premium for Part B for each 12 months that you could have been covered by Part B but elected not to enroll. The only exception is for periods when you were covered by an employers' (not retirees') health insurance plan through your or your spouse's employer.

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